

**IN THE UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In re:	X
JOANN INC., <i>et al.</i> ¹	:
Debtors.	:
	:
	:
	X

**SECOND MONTHLY FEE APPLICATION OF DELOITTE TAX LLP FOR
COMPENSATION FOR SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES INCURRED AS TAX ADVISORY
SERVICES PROVIDER TO THE DEBTORS
FOR THE PERIOD FROM MARCH 1, 2025 THROUGH MARCH 31, 2025**

Name of Applicant:	Deloitte Tax LLP	
Authorized to Provide Professional Services as:	Tax Advisory Services Provider	
Date of Retention:	<i>Effective as of January 15, 2025</i>	
Period for which Compensation and Reimbursement is Sought:	March 1, 2025 through March 31, 2025	
Total Amount of Fees Requested:	\$	111,393.00
Less: 20% Holdback	\$	(22,278.60)
80% of Compensation Sought as Actual, Reasonable, and Necessary	\$	89,114.40
Amount of Expense Reimbursement Sought	\$	14.65
Total Amount of Fees and Expense Requested:	\$	89,129.05
Less: Voluntary Application of Credit ²	\$	(51,628.46)
Net Payment Due:	\$	37,500.59

This is an: Monthly Interim Final Application

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: JOANN Inc. (5540); Needle Holdings LLC (3814); Jo-Ann Stores, LLC (0629); Creative Tech Solutions LLC (6734); Creativebug, LLC (3208); WeaveUp, Inc. (5633); JAS Aviation, LLC (9570); joann.com, LLC (1594); JOANN Ditto Holdings Inc. (9652); Dittopatterns LLC (0452); JOANN Holdings 1, LLC (9030); JOANN Holdings 2, LLC (6408); and Jo-Ann Stores Support Center, Inc. (5027). The Debtors' mailing address is 5555 Darrow Road, Hudson, Ohio 44236.

² Deloitte Tax LLP agreed to a voluntary credit in the amount of \$275,000.00 to be applied against post-bankruptcy services in connection with its retention in these chapter 11 cases. Deloitte Tax has applied the remaining balance in the amount of \$51,628.46 of credit to this fee application.

PRIOR MONTHLY FEE APPLICATIONS FILED

Date Filed / Docket #	Period Covered	Requested Fees	Requested Expenses	Approved Fees	Approved Expenses
TBD	01/15/2025 - 02/28/2025	\$ 279,149.50	\$ 51.94	\$ -	\$ -
TOTAL		\$ 279,149.50	\$ 51.94	\$ -	\$ -

CUMULATIVE TIME SUMMARY BY PROFESSIONAL

For the Period March 1, 2025 through March 31, 2025

Professional	Level	Rate	Hours	Fees
<i>Out of Scope Tax Compliance Services</i>				
Bockoven, Julian	Senior Manager	\$715.00	0.5	\$357.50
Culp, Mathew	Senior Manager	\$715.00	0.5	\$357.50
O'Malley, Michael	Senior Manager	\$715.00	0.5	\$357.50
Przybojewski, David	Senior Manager	\$715.00	1.0	\$715.00
Harden, Anthony	Manager	\$605.00	10.5	\$6,352.50
Srirangam Nallan	Manager	\$605.00	1.0	\$605.00
Potesta, Anthony	Senior	\$505.00	0.2	\$101.00
Ross, Jonathan	Senior	\$505.00	0.5	\$252.50
Feltz, Lisa	Consultant	\$405.00	1.5	\$607.50
Gillis, E'Ona	Consultant	\$405.00	3.0	\$1,215.00
Heichel, Logan	Consultant	\$405.00	0.6	\$243.00
Professional Subtotal:			19.8	\$11,164.00

Professional	Level	Hours	Fees
<i>Tax Compliance Services</i>			
Rash, Jeffrey	Managing Director	7.2	
Rohrs, Jane	Managing Director	0.5	
Culp, Mathew	Senior Manager	0.2	
Gordon, Cheryl	Manager	9.2	
Harden, Anthony	Manager	0.3	
Healy, Stephen	Manager	2.5	
Kumar, Reshma S	Manager	34.5	
Madden, Rosalind	Manager	1.0	
Schiavone, Frank	Manager	0.4	
Chaudhuri, Sahil	Senior	22.5	
Das, Prasenjit	Senior	57.7	
Heard, Cassandra	Senior	35.3	
Ravikumar, Devika	Senior	17.0	
S V, Karthikeyan	Senior	52.0	
Weber, Andrew	Senior	0.7	
Garg, Rishu	Consultant	30.3	
Heichel, Logan	Consultant	2.6	

Jha, Mayank Kumar	Consultant	1.0
Nyonyoh, Nicholas	Consultant	0.5
Rahman, Md Wasiur	Consultant	2.0
Singh, Rohan	Consultant	18.0
Professional Subtotal:		295.4
		\$25,755.00

Professional	Level	Rate	Hours	Fees
<i>Tax Restructuring Services</i>				
Forrest, Jonathan	Partner/Principal	\$990.00	1.2	\$1,188.00
Krozek, Derek	Managing Director	\$990.00	65.7	\$65,043.00
Paszt, Laura	Partner/Principal	\$990.00	3.1	\$3,069.00
Rash, Jeffrey	Managing Director	\$990.00	2.0	\$1,980.00
Fielding, Stephen	Senior Manager	\$870.00	0.6	\$522.00
Luo, Dagong	Senior Manager	\$870.00	1.2	\$1,044.00
Kirpas, Joseph	Manager	\$740.00	2.2	\$1,628.00
Professional Subtotal:			76.0	\$74,474.00
Total		Blended Hourly Rate: \$284.75	391.2	\$111,393.00

CUMULATIVE FEES BY CATEGORY SUMMARY

For the Period March 1, 2025 through March 31, 2025

Categories	Hours	Fees
Out of Scope Tax Compliance Services	19.8	\$11,164.00
Tax Compliance Services	295.4	\$25,755.00
Tax Restructuring Services	76.0	\$74,474.00
Fees Category Subtotal :	391.2	\$111,393.00

CUMULATIVE EXPENSES BY CATEGORY SUMMARY

For the Period March 1, 2025 through March 31, 2025

Expense Categories	Total Expenses for the Period
Postage, Express Mail, Courier Services	\$14.65
Expense Category Subtotal :	\$14.65

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In re:	:
JOANN INC., <i>et al.</i> ²	:
Debtors.	:
	:
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**SECOND MONTHLY FEE APPLICATION OF DELOITTE
TAX LLP FOR COMPENSATION FOR SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES INCURRED AS TAX
ADVISORY SERVICES PROVIDER TO THE DEBTORS
FOR THE PERIOD FROM MARCH 1, 2025 THROUGH MARCH 31, 2025**

Deloitte Tax LLP (“Deloitte Tax” or the “Applicant”), tax advisory services provider to JoAnn Inc., and its affiliated debtor entities as debtors and debtors-in-possession (collectively, the “Debtors”) in these chapter 11 cases, hereby seeks interim allowance and payment of compensation pursuant to sections 330 and 331 of title 11 of the United States Code (the “Bankruptcy Code”), rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and rule 2016-2 of the Local Bankruptcy Rules of Bankruptcy Court for the District of Delaware (the “Local Rules”), for the period commenting March 1, 2025 through March 31, 2025 (the “Application Period”). In support of this monthly fee application (the “Fee Application”), Deloitte Tax respectfully represents as follows:

JURISDICTION

1. The United States Bankruptcy Court for the District of Delaware (the “Court”) has

² The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: JOANN Inc. (5540); Needle Holdings LLC (3814); Jo-Ann Stores, LLC (0629); Creative Tech Solutions LLC (6734); Creativebug, LLC (3208); WeaveUp, Inc. (5633); JAS Aviation, LLC (9570); joann.com, LLC (1594); JOANN Ditto Holdings Inc. (9652); Dittopatterns LLC (0452); JOANN Holdings 1, LLC (9030); JOANN Holdings 2, LLC (6408); and Jo-Ann Stores Support Center, Inc. (5027). The Debtors’ mailing address is 5555 Darrow Road, Hudson, Ohio 44236.

subject matter jurisdiction to consider and determine this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

STATUTORY BASIS

2. The statutory predicates for the relief requested herein are: (i) sections 330 and 331 of the Bankruptcy Code; (ii) rule 2016 of the Bankruptcy Rules; and (iii) rule 2016-2 of the Local Rules.

BACKGROUND

3. On January 15, 2025 (the “Petition Date”), the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code. The Debtors are authorized to continue to operate their businesses and manage their businesses and manage their properties as debtors in possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code.

4. On January 28, 2025, the United States Trustee for the District of Delaware (the “U.S. Trustee”) appointed an official committee of unsecured creditors [Docket No. 198] (the “Committee”).

5. No request for the appointment of a trustee or examiner has been made in these chapter 11 cases.

RETENTION OF DELOITTE TAX

6. On February 20, 2025, the Debtors filed the *Application of Debtors for Entry of an Order (I) Authorizing the Employment and Retention of Deloitte Tax LLP, as Tax Advisory Services Provider to the Debtors and Debtors in Possession, Effective as of the Petition Date, (II) Approving the Terms of the Engagement Agreements, and (III) Granting Related Relief* [D.I. 469] (the “Retention Application”).

7. On April 8, 2025, the Court entered an order approving the Retention Application [D.I. 688] (the “Retention Order”).

RELIEF REQUESTED

8. By this Fee Application, Deloitte Tax respectfully requests interim allowance of \$89,114.40 (80% of \$111,393.00) as compensation for professional services rendered to the Debtors during the Application Period. Deloitte Tax also seeks reimbursement of its actual and necessary expenses incurred during the Application Period in the amount of \$14.65, for a total requested compensation of fees and expenses of \$89,129.05. Deloitte Tax submits this Fee Application in accordance with the Retention Order. All services for which Deloitte Tax requests compensation were performed for the Debtors.

BASIS FOR RELIEF

9. This is the second monthly fee application filed by Deloitte Tax in these cases. In connection with the professional services rendered, by this Fee Application, Deloitte Tax seeks compensation in the amount of \$111,393.00. The Applicant maintains computerized records of the time expended in the rendering of the professional services required by the Debtors. These records are maintained in the ordinary course of the Applicant’s business. A detailed statement of hours spent rendering professional services to the Debtors in support of Deloitte Tax’s request for compensation for fees incurred during the Application Period is attached hereto as Exhibit A. Exhibit A: (i) identifies the professionals and paraprofessionals that rendered services in each project category; and (ii) describes each service such professional or paraprofessional performed.

10. Additionally, Deloitte Tax seeks reimbursement of expenses in the amount of \$14.65, which were incurred in the performance of services for the Debtors during the Application Period. Such expenses are set forth in Exhibit B attached hereto.

11. No agreement or understanding exists between Deloitte Tax and any nonaffiliated or unrelated person or persons for the sharing of compensation received or to be received for professional services rendered in or in connection with these cases.

DESCRIPTION OF SERVICES RENDERED

12. Deloitte Tax provides below an overview of the services it rendered as tax advisory services provider to the Debtors during the Application Period. Detailed descriptions of these services, the amount of fees incurred, and the amount of hours spent providing services throughout the Application Period are also provided in the attached Exhibits.

Tax Compliance Services:

Hours 295.4, Amount \$25,755.00

- Deloitte Tax assisted with U.S. federal income tax considerations related to the chapter 11 cases.

Tax Restructuring Services:

Hours 76.0, Amount \$74,474.00

- Deloitte Tax analyzed the Debtors post-restructuring or post-bankruptcy tax attributes (tax basis in assets, tax basis in subsidiary stock, and net operating loss carryovers) available under the applicable tax regulations and the reduction of such attributes based on the Debtors' operating projections, including a technical analysis of the effects of Treasury Regulation Section 1.1502-28 and the interplay with Internal Revenue Code ("IRC" sections 108 and 1017);
- Deloitte Tax analyzed the effects of tax rules under IRC section 382 pertaining to the post-bankruptcy net operating loss carryovers and limitations on their utilization; and

- Deloitte advised the Debtors with the preparation of tax modeling to assess the U.S. federal income tax implications of liquidating, disposing of assets, merging or converting entities as part of multiple proposed restructuring alternatives, including the effects on federal and state tax attributes, state incentives, apportionment and other tax planning.

Out of Scope Tax Compliance Services:

Hours 19.8, Amount \$11,164.00

- Deloitte Tax advised the Debtors regarding the restructuring and bankruptcy emergence process from a tax perspective; and
- Deloitte Tax provided the Debtors with tax models of effects of liquidating, disposing of assets, merging or converting entities.

ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES

13. Because of the benefits realized by the Debtors, the nature of services provided, the amount of work done, the time consumed and the skill required, Deloitte Tax requests that it be allowed, on an interim basis, compensation for the professional services rendered during the Application Period in the sum of \$111,393.00.

14. During the Application Period, allowance of compensation in the amount requested would result in a blended hourly billing rate for professionals of approximately \$284.75.

15. Deloitte Tax respectfully submits that the professional services rendered by Deloitte Tax on behalf of the Debtors during the Application Period were reasonable, necessary and appropriate to the administration of these chapter 11 cases and related matters.

16. Deloitte Tax has disbursed, and requests reimbursement for, a total of \$14.65 in expenses. In providing professional services for the Debtors during the Application Period, which

represents actual, necessary expenses incurred in the rendition of professional services in these chapter 11 cases.

17. Deloitte Tax believes that the actual expenses incurred in providing professional services during the Final Application Period were necessary, reasonable and justified under the circumstances to provide services to the Debtors in these chapter 11 cases.

**DELOITTE TAX'S REQUESTED FEES SHOULD BE ALLOWED
BY THIS COURT**

18. Section 330 provides that a court may award a professional employed under section 327 of the Bankruptcy Code “reasonable compensation for actual, necessary services rendered . . . and reimbursement for actual, necessary expenses.” 11 U.S.C. § 330(a)(1). Section 330 sets forth the criteria for the award of compensation and reimbursement:

In determining the amount of reasonable compensation to be awarded . . . the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors, including –

- (a) the time spent on such services; the rates charged for such services;
- (b) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;
- (c) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed;
- (d) with respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and experience in the bankruptcy field; and
- (e) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

11 U.S.C. § 330(a)(3).

19. In the instant case, Deloitte Tax respectfully submits that the services for which it seeks compensation in this Application Period were necessary for and beneficial to the Debtors and were performed economically, effectively, and efficiently. Deloitte Tax further submits that

the compensation requested herein is reasonable in light of the nature, extent, and value of such services to the Debtors. Further, in accordance with the factors enumerated in section 330 of the Bankruptcy Code, the amount of fees requested is fair and reasonable given: (i) the complexity of these cases; (ii) the time expended; (iii) the nature and extent of the services rendered; (iv) the value of such services; and (v) the costs of comparable services other than in a case under the Bankruptcy Code. Accordingly, the approval of the compensation sought herein is warranted.

CERTIFICATE OF COMPLIANCE AND WAIVER

20. The undersigned representative of Deloitte Tax certifies that Deloitte Tax has reviewed the requirements of rule 2016-2 of the Local Rules and that the Fee Application substantially complies with that Local Rule. To the extent that the Fee Application does not comply in all respects with the requirements of Local Rule 2016-2, Deloitte Tax believes that such deviations are not material and respectfully requests that any such requirement be waived.

WHEREFORE, Deloitte Tax respectfully requests that the Court enter an order: (i) granting interim allowance of compensation for professional services rendered to the Debtors by Deloitte Tax during for the Application Period in the amount \$89,114.40, which represents 80% of the total compensation for professional services rendered during the Application Period and reimbursement of actual and necessary expenses in the amount of \$14.65 for a total allowance of \$89,129.05; and (ii) granting such other and relief as may be just and proper.

Dated: July 21, 2025
Cleveland, Ohio

Respectfully submitted,

DELOITTE TAX LLP

/s/ Laura Paszt

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